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The Greater Victoria Building Society

Incorporated 1919.

RULES

NAME AND PURPOSE

1. The name of the Society shall be "The Greater Victoria Building Society."

2. It is established for the purpose of advancing to its members amounts of money not exceeding One Thousand Dollars ($1,000) per share on the security of unadvanced shares held by such members in the Society and on real property in the Province of British Columbia.

CAPITAL STOCK

3. The Capital Stock of the Society shall be Four Hundred and Eighty Thousand Dollars ($480,000) in twelve hundred shares of four hundred dollars each, payable in monthly subscriptions of $2.50 per share.

4. The shares shall be numbered from 1 to 300 respectively, Series A, B, C, and D, so that there shall be four shares of each number, provided with the letters A, B, C, and D respectively.

5. Not more than four shares can be held by any one member.

6. Chinese, Japanese, Indians and Hindus cannot hold shares in this Society.

CONTRIBUTIONS

7. Each member shall pay $2.50 per month for each share held by him, until such share is paid up in full, and such subscriptions shall be due and payable on the 7th day of each month at the office of the Society.

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8. Such subscriptions shall commence on the 7th day of March, 1919, or if a member shall join the Society after the 7th day of March, 1919, on the 7th day of the month in which such member shall join the Society.

9. Each member shall pay on joining the Society an entrance fee of $2.00 per share and he shall pay for management expenses the sum of 50 cents per quarter for each share held by him in the Society. The said contribution for management expenses shall be payable on the 7th days of June, September, November and March in each year until the Society is wound up. Such contributions for management expenses shall commence on the 7th day of June, 1919, or if a member shall join the Society after the 7th day of March, 1919, then such contribution shall commence on the next ensuing quarter day above mentioned.

ARREARS AND FORFEITURE OF SHARES

10. Any member in arrears in any amount for his subscriptions on shares or management expenses for two months shall be fined 5% of the amount so in arrears and an additional 5% for each month thereafter. The Secretary shall notify the shareholder in writing every time he has incurred a fine and shall report the fact in writing to the Board of Directors at their next ensuing meeting.

11. If a member is in arrears with his subscription on shares or management expenses or fines to the extent of $15.00 on any share held by him, the Secretary shall report the same to the Board of Directors in writing and the Directors shall thereafter declare such share or shares and all rights connected therewith and all amounts paid in on the same forfeited if all arrears, dues, fines and costs are not paid within thrity days; and the Secretary shall notify such member requiring him to pay the same.

12. The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places at which such arrears, dues, fines and costs as aforesaid are to be paid. The notice shall also state that in event of the non-payment at or before the time and at the place appointed, the share or shares in respect of which the arrears, dues, fines and costs are payable, will be forfeited.

13. If the requisitions of such notice as aforesaid are not complied with, the share or shares in respect of which such notice has been given and all rights thereunder and the amount paid in on the same may at any time thereafter, and before pay-

ment of the amount due in respect thereof, be forfeited by resolution of the Directors to that effect.

14. When any share or shares shall have been forfeited, notice of the resolution and confirmation shall be forthwith given by the Secretary to the member in whose name the share or shares stood prior to forfeiture, and an entry of the forfeiture and the date thereof shall be made on the books of the Society.

15. No member in arrears in any amount for his subscriptions on shares or management expenses or fines for two months shall participate in any drawing for an appropriation, nor be allowed to vote on any question, nor be eligible for any office in the Society.

16. If any officer be in arrears in any amount for his subscriptions on shares or management expenses or fines for three months, his office shall be vacant, but he shall be eligible for re-election on payment of all arrears.

17. Management contributions and fines shall be a first charge on any and all moneys received from a member, and any balance shall be applied on subscriptions on shares.

18. Any payment, whether for subscriptions, management expenses or fines becoming due on a public holiday shall not be payable or be enforced until the following day.

PLACE OF BUSINESS

19. The business of the Society shall be carried on at the office of the Society at 8 and 9 Winch Building, Fort Street, in the City of Victoria, B.C., or at such other place in the City of Victoria, B.C., as the majority of the members may decide upon from time to time in general meeting and the said office shall be kept open for business by the Secretary between the hours of 9 a.m. and 5 p.m. on every day of the week except Saturday when the office shall close at 1 p.m., and except on public holidays.

MEETINGS AND NOTICES

20. The annual meeting of the Society shall be held in the month of January and the semi-annual meeting in the month of July at whatever dates the Directors may decide upon, and such further general meetings shall be held as may be decided by the Board of Directors or as may be by these rules provided.

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21. Five days' notice at least of every annual, semi-annual and general meeting, except meetings for drawings, specifying the place, day and hour of meeting, and, in case of special business, the general nature of such business, shall be given to the members in manner hereinafter provided; but the non-receipt of such notice by any member shall not invalidate the proceedings of any such meeting.

22. The notice in the last rule mentioned for the annual meeting shall be published for at least 5 days in a daily newspaper published in the City of Victoria, B.C., and by a 5 days' notice in writing to each shareholder, and the notice for the semi-annual and every other general meeting shall be published for at least 5 days in a daily newspaper published in the City of Victoria, B.C., except in the case of a meeting for drawings only when a notice published for at least 2 days in a daily newspaper published in the City of Victoria, B.C., shall be sufficient.

23. Drawings for appropriations may take place at any annual, semi-annual or general meeting.

24. The President may at his discretion, and he shall at the request of the Board of Directors or at the requisition of one-twentieth of the members, call a general meeting.

25. If the President does not proceed to cause a meeting to be held within fourteen days from the date of the receipt of the request of the Board of Directors or of the receipt of the requisition, the Board of Directors or the requisitioning members may themselves convene the meeting.

26. All business of the Society shall be transacted at the general meetings, except such as may be properly done by the Board of Directors or other officers as by these rules provided.

27. The transactions of the Directors shall be subject to the review of the members at a general meeting duly called for that purpose.

28. Ten members in good standing shall constitute a quorum for all annual, semi-annual and general meetings.

29. Each member shall have one vote irrespective of the number of shares he may hold in the Society and there shall be no voting by proxy.

30. Notices to members may be addressed to them at Victoria, B.C., by the name in which the share is held, and posted

in a prepaid envelope at Victoria, and shall be deemed sufficient, unless some other address has been furnished to the Secretary in writing.

MANAGEMENT AND OFFICERS AND THEIR REMUNERATION

31. The officers of the Society shall be five Directors (herein called the Board of Directors), two Auditors, a Secretary-Treasurer (herein called the Secretary), a Solicitor or Solicitors (herein called the Solicitor), and a Surveyor and Appraiser (herein called the Valuator).

32. The Board of Directors shall elect a President and Vice-President from amongst themselves.

33. At the first meeting of the Society the members shall elect from among themselves the Directors. The two members receiving the highest number of votes shall be declared elected for a period of two years and the next three for a period of one year. In the event of the votes being equal for any two or more of the Directors thus elected and making it impossible to apply the above rule the Directors shall by resolution themselves decide which shall serve for two years and which for one. At the next ensuing annual meeting 3 Directors shall be elected to serve for two years and at the second ensuing annual meeting 2 Directors shall be elected to serve for two years and so on from year to year an alternate number of 3 and 2 Directors shall be elected to serve for two years.

34. The Auditors shall be elected from amongst the members at the first meeting of the Society and at every ensuing annual meeting and shall hold office for the period of one year.

35. The Directors and Auditors shall hold office until the election of their successors but subject to the provisions of the following rule.

36. The members at any general meeting duly called for that purpose, amongst others, may declare by resolution the office of any or all Directors or Auditors vacant, and may at said meeting or any subsequent meeting elect a successor or successors thereto.

37. In the event of a vacancy occurring in the Board of Directors or Auditors, the Board of Directors shall appoint one of the members of the Society to fill the vacancy but such appointment shall be reported to the next ensuing annual or

semi-annual meeting of the Society and the members shall there upon elect a member to fill the vacancy for the balance of the unexpired term.

38. Every Director or Auditor shall at the expiration of his term of office be eligible for re-election.

39. The Board of Directors shall appoint a Secretary, a Solicitor and a Valuator and such other officers as they may consider neecssary for the conduct of the business of the Society.

40. Each member of the Board of Directors shall receive as remuneration for his services the sum of $2.00 for each meeting of the Board attended by such member and such further and other remuneration as the members may decide at the annual meeting before the election of said Directors.

41. Each Auditor shall receive as remuneration for his services the sum of $15.00 for each half-yearly audit made by him and such further and other remuneration as the members may decide at the annual meeting before the election of said Auditors and for any other services rendered such sum or sums as may be decided by the members in general meeting.

42. The Secretary shall receive as remuneration for his services such salary as may be fixed from time to time by the Board of Directors, provided that such salary shall not exceed five per centum of all monies received by the Secretary on behalf of the Society.

43. The Solicitor shall receive as remuneration for his services such fees as he may by law be entitled to for services actually rendered or such lesser sum or sums as may be agreed upon from time to time by the Solicitor and the Board of Directors.

44. The Valuator shall receive as remuneration for his services the sum of $2.50 for valuating and reporting to the Board on the security offered for an advance of $1,000.00 and the sum of $2.50 for each additional $1,000.00 together with all travelling expenses and other proper disbursements that may be allowed by the Board of Directors in connection with each valuation, and for all other services rendered to the Society such sum or sums as may be fixed from time to time by the Board of Directors.

45. Such other officers as may be appointed by the Board of Directors shall receive as remuneration for their services such sum or sums as may be fixed from time to time by the Board of Directors.

DUTIES OF OFFICERS

46. The President shall preside at all meetings of the members and of the Board of Directors when present; in his absence the Vice-President shall preside and in the absence of both any Director may be elected chairman and in the absence of all Directors any member may be elected chairman.

47. The President shall keep in safe custody the guarantee bond or bonds given by the Secretary or other officers of the Society as required by the Board of Directors and shall see that the same are kept in full force and effect.

48. He shall countersign all cheques issued by the Society. He shall have power for urgent cause to suspend any officer appointed by the Board from his or their duties but shall report such suspension to the first meeting of the Board of Directors thereafter and the Board shall thereupon deal with the matter in any way they may see fit.

49. He shall perform such other duties as may be prescribed by the Investment and Loan Societies Act or these rules.

50. The Vice-President shall take the place of the President in the case of his absence from the City of Victoria or in the case of his becoming in any other way disqualified from or incapable of acting as President.

51. The Board of Directors shall meet as often as occasion shall require and not less than once in each month at the Society's office or at such place as may be agreed upon by the Board of Directors.

52. Three Directors shall form a quorum for the transaction of business.

53. Every Director present shall have one vote, and in case the votes are equal the motion shall be declared lost.

54. The Board of Directors shall conduct all the business of the Society other than that required by either the Investment and Loan Societies Act or these rules to be done by the members in general meeting or than that required to be done by the other officers of the Society.

55. At every meeting of the Directors, immediately after the minutes of the last meeting shall have been read and signed, the cash book and Bank book shall be produced and inspected.

and the amounts received and paid out on account of the Society since the last meeting shall be declared, and the total amount of each, with the balanec remaining in the hands of the Bank and in the hands of the Secretary shall be entered in the Minute Book.

56. The Board of Directors shall perform such other duties as may be prescribed by the Investment and Loan Societies Act or these rules.

57. The Auditors shall examine the books of account of the Society in January and July of each year and compare them with the Secretary's half yearly reports. They shall satisfy themselves that all monies due to the Society have been received by the Society and that all monies received have been correctly credited and that all monies disbursed by the Society are properly authorized by the Investment and Loan Societies Act and these rules and have been further authorized either by these rules or a resolution of the members in general meeting or by the Board of Directors. They shall at the same times examine the securities held by the Society.

58. They shall in the months of January and July of each year send to each member by prepaid mail a certified statement of the amounts shown on the Society's books to the credit of each member from all sources. Such certified statements shall be sent by the Auditors presonally independently of the Board of Directors, Secretary or any other officers of the Society and such statement shall contain a request that any mistake or irregularity be reported by the members concerned to the Auditors direct and unless such member shall within 30 days from the date of the mailing of such certified statement give notice to the Auditors of irregularities or mistakes, the amounts set forth in the said certified statements shall be conclusive of their correctness. In the event of any irregularity or mistake being reported to the Auditors they shall investigate the same and report their findings to the Board of Directors who shall thereupon direct any necessary rectification to be made.

59. They shall in the months of January and July check and verify the entries made in such of the Members' Pass Books as shall have been left with the Secretary for that purpose.

60. They shall report from time to time to the Board of Directors as they may consider necessary and shall also make a full report of their findings to the members at the annual and semi-annual meetings.

61. They shall make recommendations to the Board of Directors as and when they shall consider necessary as to the form and style of the books of account to be kept of the Society's affairs.

62. They shall, after examination, certify to the correctness of the return required to be made by the Secretary to the Registrar of Joint Stock Companies under the Investment and Loan Societies Act.

63. They shall perform such other duties as may be prescribed by the Investment and Loan Societies Act or these rules.

64. The Secretary shall attend all meetings of the Society and of the Board of Directors and keep an accurate record of the transactions of such meetings.

65. He shall enter or cause to be entered in proper books of account and as required by the Board of Directors an accurate record of the monies received by and payments made by the Society, and shall shew in such books the amounts to the credit of each member in respect of the different payments made by such member.

66. He shall receive all monies for the Society and when said monies amount to $25.00 he shall within 48 hours pay the same into such chartered Bank in the City of Victoria as may be named from time to time by the Board of Directors, in the name of The Greater Victoria Building Society.

67. He shall make all payments on behalf of the Society, when properly authorized, by cheques on the said Bank payable to order. The cheques are to be signed by the Secretary and countersigned by the President, and when for more than $100.00 countersigned by the President and one other Director.

68. He shall issue to each member a pass book or contribution book (herein called pass book) and shall enter therein from time to time the respective payments made by members, so that said pass books shall contain a duplicate record of the amounts standing to the credit of members in the Society's books. He shall collect from each member the sum of 50 cents for each pass book issued.

69. He shall keep a record of the names and addresses of the members of the Society and such record and all other books of the Society shall be open to the inspection of any member at any reasonable time during the office hours prescribed by these rules.

70. He shall have prepared, with the approval of the Board of Directors, a common seal for the Society, upon which shall be inscribed the name of the Society and the date of the year of its incorporation, and shall cause the said seal to be affixed in the presence of at least two Directors, to such legal documents and instruments as the Board of Directors may from time to time direct by resolution.

71. He shall receive and place in safe keeping in such places as the Board of Directors shall determine the securities belonging to the Society.

72. He shall give a guarantee policy or bond for the faithful performance of his duties in a company approved by the Board of Directors in such sum as they shall from time to time require and the premium on such bond or policy shall be paid by the Society.

73. He shall give a semi-annual report of the financial condition of the Society at the annual and semi-annual meetings.

74. He shall, on or before the 14th day of the month of February in each and every year make or cause to be made the statutory return to the Registrar of Joint Stock Companies as required by the Investment and Loan Societies Act.

75. He shall on or before the 1st day of July in each year, on behalf of the Society, apply to the Registrar of Joint Stock Companies for and take out a certificate of renewed registry as required by the Investment and Loan Societies Act.

76. He shall perform such other duties as may be assigned to him from time to time by the Board of Directors and as may be prescribed by the Investment and Loan Societies Act and these rules.

77. The Solicitor shall investigate and report upon the titles to the properties offered for security to the Society when directed to do so by these rules or by the Board of Directors. He shall draw up all mortgages and other conveyances on behalf of the Society and attend to their registration and in every way see that the Society is legally protected for the advances and loans made by it.

78. He shall perform such other duties as may be assigned to him from time to time by the Board of Directors or as may be prescribed by the Investment and Loan Societies Act or these rules.

79. The Valuator shall examine the properties offered for security to the Society when directed to do so by these rules or by the Board of Directors and shall as soon as conveniently may be furnish a report of his valuation which report shall give such details and particulars as may be required by the Board of Directors on forms to be settled and provided by them.

80. He shall also from time to time as required by the Board of Directors value or re-value such properties as may be owned by or mortgaged to the Society and shall furnish a similar report to the Board of Directors, as provided in the preceding rule, of such valuation or re-valuation.

81. He shall perform such other duties as may be assigned to him from time to time by the Board of Directors or as may be prescribed by the Investment and Loan Societies Act or these rules.

DRAWINGS

82. When the funds of the Society arising from subscriptions on shares or loan repayments and not required for appropriations already drawn amount to $2,000 (or before, if the Board of Directors think proper), the Board of Directors shall by resolution direct a drawing to be held for an amount to be named in said resolution and a general meeting shall be called by at least two days' notice in some local daily newspaper and at that meeting a drawing shall take place for appropriations.

83. The drawing shall be held in the following manner:—

The Directors shall have made 300 small wooden batons of exactly the same size and shape, and they shall have a number written on each of them, viz., from 1 to 300 respectively.

The batons shall be placed at the meeting on six boards, prepared so as to hold them firmly, with the written number visible, 50 on each board, in 10 rows, 5 in each row; so that on the first board the first row is occupied by the batons marked 1 to 5 respectively, and in rotation; the second row from 6 to 10, and so on until the tenth row from 46 to 50. The second board shall be similarly occupied by the batons marked from 51 to 100, and the third from 101 to 150, the fourth from 151 to 200, the fifth from 201 to 250, and the sixth from 251 to 300.

There shall also be placed in a conspicuous place a box large enough to contain the 300 batons, provided with some apparatus to cause the box to be easily revolved.

287787

The Chairman shall appoint a committee of three members to see that he box is empty and in good condition, and to preside at the drawing, which committee shall then take their place near the box and the number boards. A member requesting to inspect the said apparatus shall be allowed to do so until the first appointed member of the committee declares the drawing open.

The Secretary shall then read over the numbers of the shares taken up, which are entitled to participate in the drawing. At the call of each number, a member of the committee shall take the baton bearing such number from the board, hold it out to view, and deposit it in the box; and when all the numbers entitled to participate have been deposited in the box, the Secretary shall also call out the numbers of the shares not entitled to participate on account of former appropriations, forfeitures, arrears, fines, or other reasons, but their numbers shall not be placed in the box. The box shall then be caused to revolve long enough to well mix the batons.

Some person (a child or lady preferred) shall then, blindfolded, be directed to take one baton only out of the box, and the committee shall immediately call out the number and hold it out to view to the meeting, and the Secretary shall then call out the number and the name or names of the member or members holding the shares of that number, either A, B, C, or D, or all of them, and state if any of the shares of that number are disqualified, and make record on the Minutes.

84. The Board of Directors may provide an alternative method or scheme for holding drawings which will in an equally effective and fair manner achieve the results provided by the foregoing rule but such alternative method or scheme shall not become effective or be used until it has been approved by the members at an annual or semi-annual meeting.

85. Should the first drawing not exhaust the amount for which the Directors have authorized an appropriation to be drawn for, the members may, by resolution duly passed, authorize one or more drawings to take place forthwith, until the said amount is exhausted; and should said successive drawings exceed said amount, the shares so drawn in excess shall take priority over the shares next drawn.

86. Should more than one drawing take place at that meeting, another number shall be drawn and dealt with in the same manner, and the same operation shall be repeated until

the amount authorized shall have been drawn. Provided that the loans shall take place in the same rotation as the numbers have been drawn, and that the holders of shares bearing the same number with either A, B, C or D, shall be entitled at the same time, unless either's rights has been forfeited under these rules.

87. Where one member holds shares for which appropriations have been drawn at different dates and desires to obtain one loan in respect of all of such shares the loan shall take place in the rotation to which the last number drawn shall be entitled.

88. All shares in respect of which the entrance fees and at least one month's subscriptions on shares and all contributions due for management expenses have been paid previous to the time fixed for the drawing for an appropriation, and which are not debarred under these rules shall be entitled to participate in such drawings.

LOANS

89. The Board of Directors shall by resolution instruct the Secretary to notify the holder of a share or shares drawing an appropriation and entitled to a loan of $1,000 for each share, in writing when the loan will be ready for him, and at the same time to call his attention to the following rule.

90. When a member has been notified of the time when the money will be ready, he shall make application for his loan and conclude the same within three months after the time appointed for its readiness or commence making repayments at the same rate as he would be required to do under these rules as if the loan had been granted and thereupon and upon his continuing to make the repayments he shall be entitled to receive the loan on the same terms and under the same conditions provided by these rules as if the loan had been made within the three months' time hereinbefore mentioned but upon the member failing to make application and conclude his loan within the said three months or upon his failing to commence and continue making repayments as aforesaid, then such member's right to an appropriation shall be held in abeyance until he shall give a three months' notice in writing to the Secretary that he desires a loan to be granted to him, whereupon and at the expiration of the said three months he shall be placed last on the list of those then entitled in rotation to receive loans.

91. The repayments made by a member before his loan is granted as mentioned in the foregoing rule shall be placed to the credit of the said member and shall be applied on the pay-

ment of the last instalments due by the said member on his loan when granted and if under the following rule no loan is granted to the said member then the amount of the said repayments shall be repaid to such member.

92. The Board of Directors may by resolution direct the Secretary to notify a member whose right to an appropriation has been held in abeyance for a period of six months that; unless said member shall within six months make application for his loan and conclude the same or commence making repayments at the same rate as he would be required to do under these rules as if the loan has been granted; then his right to a loan or appropriation from the Society shall be absolutely forfeited, but an appeal may be taken from the decision of such resolution to the members at the next ensuing annual or semi-annual meeting.

93. A member entitled to a loan shall, if he owns a house or land or if he owns land and desires to build thereon or if he is desirous of buying a house or land, make an application giving full particulars on a form approved and furnished by the Society, to the Secretary, and he shall at the same time deposit on account with the Secretary the sum of $5.00 and travelling expenses, if necessary, to meet the Valuator's fees and the sum of $5.00 to meet the Solicitor's fees for investigating title.

94. The Secretary shall, within twenty-fours after the receipt of such application, send a copy thereof to each of the Directors, and notify the Valuator to report thereon.

95. The Valuator shall examine the property offered for security, and send within seven days or within such further period as may be allowed by the Board of Directors, a report to the Secretary, on a form to be provided by the Society.

96. If the Board of Directors approve of the application, the Secretary shall send a copy of the said application to the Solicitor of the Society, with instructions to investigate and report upon the title to the said property within seven days or wihin such further period as may be allowed by the Board of Directors, and if the title is approved by him, to draw up within three days or within such further period as may be allowed by the Board of Directors, a mortgage binding the mortgagor to pay to the Society the amount to be loaned by the Society and the amount of his subscriptions on shares and all other sums due to the Society until the same are fully paid up; and it shall contain a covenant that the amount of the loan shall be paid by monthly instalments of $7.50 per month, per loan of $1,000.00, and such other covenants including covenants to insure and pay

taxes, as the Directors may require, and it shall also contain a power of sale of the mortgaged premises upon default in payment of any of the said instalments or on breach of any of the covenants. The mortgagor shall pay all costs incurred on account of the loan, and an additional management contribution of 50 cents per quarter per share until the loan is repaid.

97. When a loan is made to a married woman, the Directors shall require her husband to give his personal covenant for the repayment of the monies secured by the mortgage.

98. A member receiving a loan shall, at the time he receives the same, assign the share or shares in respect of which the loan is made, to the Society as additional security for the said loan.

99. A member receiving a loan shall pay up all subscriptions on shares and all contributions for management expenses from the 7th day of March, 1919, until the time of his joining the Society, before his loan can be concluded.

100. If the loan be not made the Valuator's and Solicitor's fees when earned shall be paid by the applicant and retained by the Society, and such portion of the deposit made for these purposes by the member that is not earned shall be returned to the member.

101. When a member entitled to a loan owns land on which he intends to build, he can, in conformity with these rules, have an advance for the same and for the building on the following conditions: He shall submit a properly drawn plan of the house he wishes to build, together with the price for which a builder will construct the same. The Valuator shall examine the same, and if he thinks the price in accord with fair trade value, the Directors may allow the plan to be carried out and pay for the same as soon as the house is finished and the Valuator is satisfied that the plan has been carried out in a good substantial manner, and the Solicitor certifies that it is clear of liens and other incumbrances.

102. Should a member wish to build, without making a contract with a builder, he can, after having obtained a loan on the land, have additional value advanced as soon as the building has progressed so far as to be roofed, and the final payment on the completion of the building.

103. The provisions of the foregoing rules are that the total amount loaned shall not exceed the total amount the member is entitled to: that the Valuator and Directors be satisfied as to the value at every stage: that the property be mortgaged for the

full amount of the loan at the time of the first payment, and that the member pay all taxes, survey and mortgage expenses and costs. Subsequent payments to be made from time to time on the Certificates of the Society's Valuator as to the value of the work done, and on the Certificates of the Society's Solicitor that the property is clear of liens and encumbrances. The repayments to commence from the date of the mortgage.

REPAYMENTS

104. A member having obtained a loan shall repay the same in equal monthly instalments at the rate of $7.50 per $1,000.00 borrowed.

105. The repayments shall be made on the 7th days of each month until the loan is repaid in full, the first repayment to be made on the first ensuing 7th day of the month after the loan is made.

106. The additional management contribution of 50 cents per quarter per share payable in respect of the repayments shall be made on the 7th days of March, June, September and December in each year until the loan is repaid in full, the first additional management contribution to be made on such quarter day above mentioned as shall next ensue after the loan is made.

107. Any member in arrears in any amount for his repayments on loans or additional management contributions in connection therewith for one month shall be fined 5% of the amount so in arrears and an additional 5% for each month thereafter. The amount of the fine or fines shall be a first charge on any monies paid thereafter. The Secretary shall notify the shareholder in writing every time he has incurred a fine and shall report the fact in writing to the Board of Directors at their next ensuing meeting.

108. If a member becomes in arrears on his repayments or on his additional management contributions or fines to the extent of $30.00 per share, the Board of Directors may by resolution direct the Solicitor to foreclose the mortgage or exercise the power of sale contained therein.

109. If suit for foreclosure or proceedings under power of sale have been commenced, the Directors may by resolution direct either a stay of proceedings after all repayments in arrears, all dues, fines, expenses, taxes and costs have been paid by the member in default, or continue the suit or proceedings.

MANAGEMENT FUND AND CONTINGENCY FUND

110. All sums received by the Society for entrance fees, management contributions, withdrawal profits, fines, forfeitures, transfer fees and from sale of passbooks shall form the management fund and all expenses incurred in managing the Society shall be paid out of this fund.

111. The auditors shall in their report to be made at the annual meeting, whenever a deficiency occurs in the management account for any one year ending the 31st December, report such deficiency whereupon the members shall direct that such deficiency be supplied either by transferring the necessary amount from the contingency fund hereinafter mentioned or by levying an assessment on each share then allotted and held by a member which assessment shall become due with the next management contribution.

112. If the auditors shall certify that the balance to the credit of the management account on the 31st December in any year is over $200.00, the members at the annual meeting shall direct either that such excess shall be transferred to a reserve or contingency fund (herein called the contingency fund) or that such excess be written up in the form of dividends in equal proportions to the credit of all shares allotted on or before the preceding 30th of June and still held by members and in respect of which no amount is owing to the Society. Such dividends shall not be payable until the Society is wound up.

113. The contingency fund if, and when established shall consist of such monies as may be transferred under the provisions of the foregoing rule and also of any monies that may arise as profits from the foreclosure sale or re-sale of any lands mortgaged to or owned by the Society or of monies that may arise as profits to the Society from any other source whatever. Such monies arising as profits shall not be transferred to the contingency fund until the auditors shall have certified to the correctness of the amounts nor until the members shall in annual meeting direct that they be so transferred.

114. The members in annual meeting may direct that such portion as is necessary of the contingency fund be used in supplying any deficiency that may arise in the management account during any year ending the 31st Deecmber, and they may likewise direct that such portion as may be necessary be used in supplying and making good any loss or deficiency that may arise from the foreclosure sale or re-sale of any lands mortgaged to or owned by the Society or to make good any loss or deficiency that may arise through any other source whatever. At the

Winding Up of the Society the balance, if any, to the credit of the contingency fund shall be written up in the form of dividends in equal proportions to the credit of all shares still held by members in the Society.

WITHDRAWALS AND TRANSFER OF SHARES

115. A member who has not had a loan can withdraw from the Society after six months' membership, by giving notice thereof in writing to the Society; and thereupon, as hereinafter provided, the Board of Directors shall direct the amount of such member's subscriptions on shares only shall be returned to such member, less 10%, which will remain the property of the Society, and $1.00 per share as a withdrawal fee.

116. The Board of Directors may order the postponement of such payment until after a loan or loans not exceeding in the aggregate $4,000.00 shall have been made, but such payment shall take place before further loans in excess of $4,000.00 shall be made, except when there are more than six notices of withdrawal at the same time.

117. No more than six members shall receive withdrawal payments between the granting of a loan or loans aggregating $4,000.00 and the next grant of a loan or loans aggregating $4,000.00, but they shall be paid out in the same rotation as the notices of withdrawal have been received by the Secretary.

118. At the time of payment of withdrawals, the withdrawing member shall return to the Society his share certificate or certificates and pass book, and sign a release of all claims against the Society.

119. No shares so withdrawn shall be re-issued unless the members at the annual or semi-annual meeting shall so direct and no new shares shall be issued after the 31st December, 1923.

120. The Directors shall decide from time to time the amount or portion that shall be forfeited to the Society on a percentage basis of the subscriptions on shares paid in by a member who has had a loan and desires to withdraw from the Society. Until such time as all members entitled have received loans or provision has been made to enable them to receive the same, such forfeited portion shall not be less than 25% of such withdrawing member's subscriptions on shares. The decision by the Directors in this respect shall be submitted to and be adopted by the next ensuing annual meeting before having any force or effect.

121. A member wishing to transfer a share or shares can do so at any time, before the said member has had a loan on such share or shares, to any person or persons authorized by these Rules to hold shares by filling out and signing the necessary transfer forms, returning his share certificate or certificates and pass book to the Secretary who shall endorse thereon an acknowledgment on behalf of the Societ, of such transfer or assignment, and paying $1.00 per share as a transfer fee.

122. A member having had a loan may transfer his share or shares only with the permission of the Board of Directors, by paying all costs in connection with the release or assignment of his mortgage and the drawing and registration of a new mortgage, together with the amount mentioned in the foregoing rules.

123. The legatee, executor or administrator of a deceased member shall have all rights and shall be bound by the Rules of the Society.

DISPUTES

124. Every dispute between any member or members of the Society, or any person claiming through or under the rules of the Society; and the Society or the Director Secretary or other officer or officers thereof, may be deci if the parties to the dispute agree to submit the same, by arb tion pursuant to the "Arbitration Act" but in the event of the parties to the dispute not agreeing to a submission for arbitration then such dispue shall be settled by reference to the Court having jurisdiction.

AMENDMENT OF RULES AND WINDING UP RULES

125. These rules may be amended as provided by the Investment and Loan Societies Act.

126. The winding up of the Society shall be in accordance with the provisions of any act for the time being in force in the Province relating to the winding up of companies.